



Operation Phakisa Unlocking the Oceans Economy through Aquaculture

Department of Agriculture, Forestry & Fisheries
AQUACULTURE YEAR TWO REVIEW
OCT 2014 - OCT 2016



agriculture,
forestry & fisheries
Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA



CONTENTS

1	Annual Review: Operation Phakisa Ocean's Economy: Aquaculture	
1.1	Introduction	2
1.2	Impacts	3
1.3	Highlights per Initiative	4
1.4	Year Two Review	5
2	Year Two Snapshot	
2.1	Project Progress Highlights	11
2.2	Investment Promotion Missions	38
3	Contact Details	42

1.1 INTRODUCTION

Operation Phakisa is an initiative of the South African government which aims to implement priority economic and social programmes better, faster and more effectively. The Operation Phakisa: Oceans Economy was launched by His Excellency President J.G. Zuma, in October 2014.

Initially four growth areas were prioritised to contribute to unlocking the economic potential of South Africa's oceans. This was based on their potential contribution to economic growth and job-creation. The following growth areas and corresponding departments were prioritised:

- Marine Transport and Manufacturing led by the Department of Transport;
- Offshore Oil and Gas Exploration led by the Department of Mineral Resources;
- Aquaculture led by the Department of Agriculture, Forestry and Fisheries;
- Marine Protection Services and Ocean Governance led by the Department of Environmental Affairs

Post the Oceans Economy Lab, two more work streams were taken on-board:

- Small Harbours Development led by the Department of Public Works; and
- Coastal and Marine Tourism.

These six focus areas are supported by cross-cutting strategies in the areas of:

- Skills Development and Capacity Building led by the Department of Higher Education; and
- Research, Technology and Innovation led by the Department of Science and Technology.

The Department of Agriculture, Forestry and Fisheries is the lead department for the Oceans Economy Aquaculture focus area and its deliverables. The Lab concluded that South Africa's aquaculture sector has a high growth potential due to an increasing demand of fish products due to the increasing global population; increasing income by the middle class in developing countries and more awareness on the dietary benefits offered by fish products. Moreover the capture fisheries yield has been plateauing over the past decade while aquaculture continues to grow over 7% per annum. This growth is expected to continue at a higher rate in the future.

The goal is to grow the aquaculture sector in South Africa to play a major role in supplying fish products; an enhanced role in job creation, increased contribution to national income and rural livelihoods. The targets over five years (2014-2019), seeks to grow sector revenue from R0, 67 billion to R3 billion; production by 20 000 tons; jobs from 2 227 to 15 000 and to ensure increased participation to support transformation in the sector.

The Aquaculture lab comprised of stakeholders from industry, government and academia who identified eight (8) key initiatives, which are expected to spur the growth of the sector. One initiative will address the selection and implementation of 24 projects, improving both the number and productivity of the new farms. Three initiatives relate to the creation of an enabling regulatory environment and others focus on funding support, increasing skills pool and awareness and improving access to markets.

To deliver these initiatives, the Aquaculture lab created detailed implementation plans and accompanying budgets, a proposed governance system to take responsibility for initiatives and key performance indicators to help monitor delivery.

The highlights outlined are consequences of the good progress achieved on the 3 feet plans across the three horizons defined by the lab participants in 2014.

1.2 IMPACTS (2016 PROJECTED)

It has been two years since the launch of the Operation Phakisa: Ocean's Economy and substantial developments have been made to grow the aquaculture sector. During phase two of Operation Phakisa (2016) an additional investment of R750 million* (government and private) was required to unlock:

JOBS:

An additional 450 direct jobs; this is a 20% increase for the sector*

[In 2015, a total of 301 additional jobs were created from 24 Operation Phakisa projects]

PRODUCTION:

2000 tons production; this is a 35% increase for the sector*

[In 2015, an additional 175 tons was produced by 24 Operation Phakisa projects]

GDP:

The projected increase turnover is R500 million per annum across the 35 projects*

[There was a R29 million increase in GDP contribution in 2015 by the 24 Operation Phakisa projects]

TOTAL PROJECTS:

35

[24 total projects in 2015]

*The actual investment, job creation, production and GDP contribution data for 2016 is being collated and analysed.

1.3 Highlights per Initiative

Priority initiatives identified by the aquaculture lab to support the implementation of the catalytic projects

1 ★ Selection and implementation of catalyst projects

Thirteen (13) out of the 35 prioritised fish farms were implemented and are on schedule or ahead of schedule in terms of production, job creation and the impact on transformation.

★ Quickwins

2 Legislative reform

Aquaculture Development Bill: The second draft was submitted to the Office of the Chief State Law Advisor before submission to Cabinet. The Bill was presented to the National Economic Development & Labour Council (NEDLAC). Strategic Environmental Assessment: The CSIR (Council for Scientific & Industrial Research) has been appointed to undertake the assessment and has begun public consultation.

REGULATIONS



3 ★ Inter-departmental authorisations committee

Seven (7) of the 8 new land leases were signed and 140 hectares of total water lease space was approved. Two EIA's were completed; two coastal discharge permits were issued & the Saldanha Bay Aquaculture Development Zone EIA has commenced.

4 Globally recognised monitoring and certification system

The first Aquatic Animal Health & Welfare Implementation Plan in SA was developed.

5 ★ Aquaculture development fund

Feasibility studies were conducted on marine finfish, oysters and mussels. Forty (40) funding institutes have been identified and 26 indicated support towards aquaculture development.

FUNDING



6 Capacity building and skills development for support services

DAFF & Stirling University are in process for a training agreement of aquatic vets. Three aquatic animal health training workshops were held in association with the FAO.

SKILLS



7 ★ Coordinated industry-wide marketing efforts

South Africa received various requests from Iran and Taiwan for aquaculture production exports during the year. Various industry bodies were engaged for the establishment of AquaSA to undertake market access & research; market & product development and consumer and public awareness.

MARKET



1.4 ANNUAL REVIEW: OPERATION PHAKISA OCEAN'S ECONOMY: AQUACULTURE

A. The first Initiative (1) covers the "Selection and Implementation of 24 Catalyst Projects." This initiative is divided into three phases in order to increase the scale of the aquaculture sector. The projects comprise of both new farms and the expansion of existing farms. This reporting period is based on phase two.

Progress per Initiative

- ☆ Initial short-term targets
- ✓ Implemented
- ~ Underway

Phase 1:

Implementation of initiatives in 6 to 12 months Quick wins

- ✓ 1a ☆ Implementation of 9 initial projects
- ✓ 3 ☆ Establishment of an Inter-Departmental Authorisations Committee
- ~ 5 ☆ Establishment of an Aquaculture Development Fund
- ~ 7 ☆ Coordination of industry-wide marketing efforts

Phase 2:

Implementation of initiatives in 12 to 24 months

- ~ 1b Implementation of 6 ready-to-operate projects and selection of additional projects
- ✓ 2 Legislative reform to promote Aquaculture development
- ✓ 4 Establishment of a globally recognised monitoring and certification system
- ~ 6 Capacity building and skills development
- ~ 8 Preferential Procurement of Aquaculture products

Phase 3:

Implementation of initiatives in 2 to 4 years

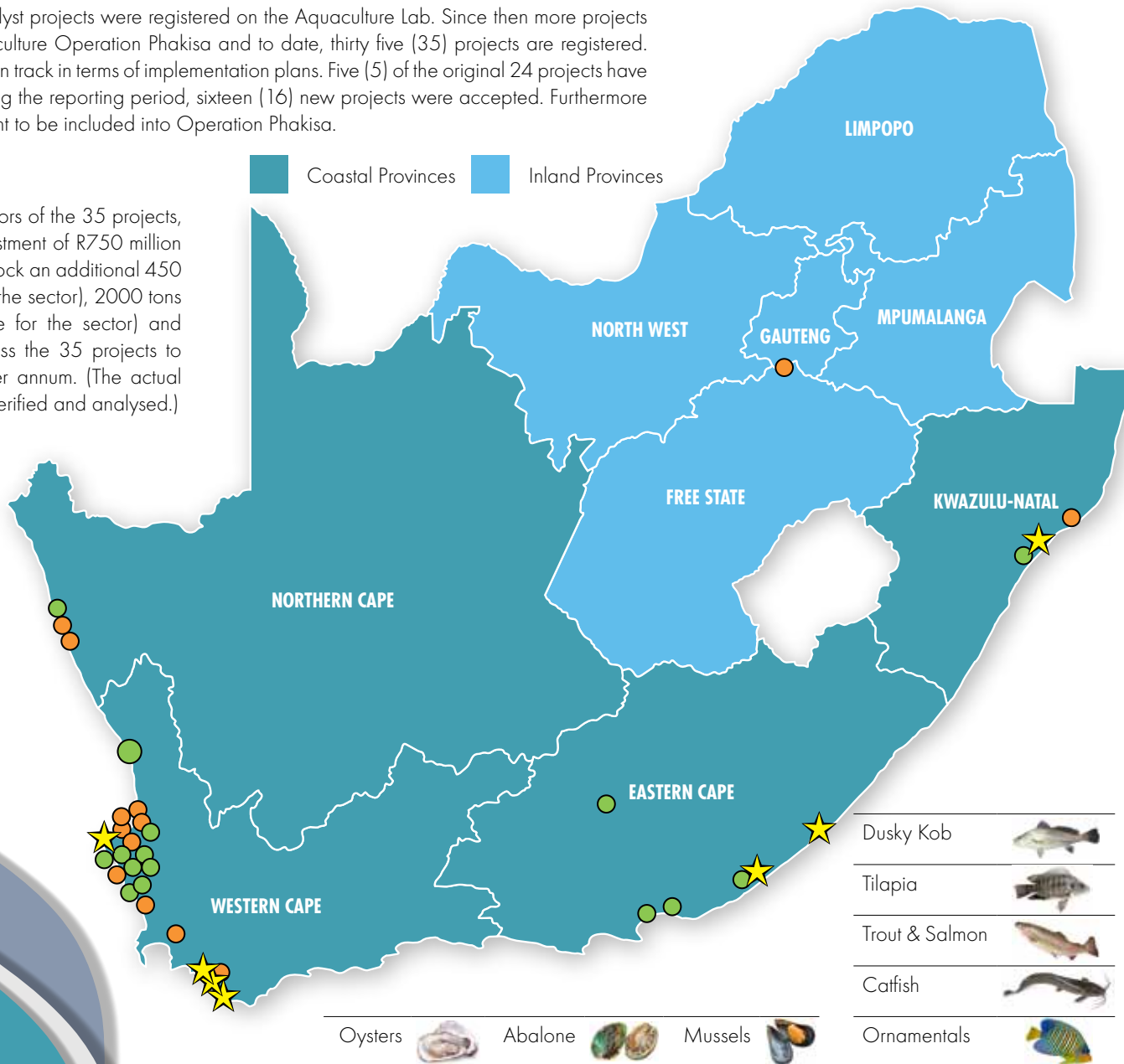
- ✓ 1 Implementation of 12 ready-to-operate projects and selection of additional projects
- ~ 6 Capacity building and skills development

Progress: Initiative 1 - Selection and Implementation of Catalyst Projects

During the Lab, twenty four (24) initial catalyst projects were registered on the Aquaculture Lab. Since then more projects have been accepted as part of the Aquaculture Operation Phakisa and to date, thirty five (35) projects are registered. Thirteen (13) projects are operational and on track in terms of implementation plans. Five (5) of the original 24 projects have been put onto business opportunities. During the reporting period, sixteen (16) new projects were accepted. Furthermore there are ten (10) projects under assessment to be included into Operation Phakisa.

2016

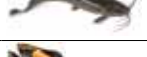
Based on the key performance indicators of the 35 projects, during phase two, a projected investment of R750 million (government and private) will unlock an additional 450 direct jobs (20% increase for the sector), 2000 tons production (35% increase for the sector) and increase turnover across the 35 projects to over 500 million per annum. (The actual data is still being verified and analysed.)



Location and Species of 35 Aquaculture Projects

Original 24 Projects				
★ Hatchery expansion - Paternoster	Paternoster	WC		
★ Expansion - Hamburg cluster	Hamburg	EC		
★ Expansion - Roman Bay	Gansbaai	WC		
★ Expansion - Overberg Abagold	Hermanus	WC		
★ Expansion - Overberg HIK	Buffelsjag Baai	WC		
★ Expansion - Amatikulu	Amatikulu	KZN		
★ Expansion - Wild Coast Abalone	Haga Haga	EC		
● New - Wild Coast Abalone Ranching Cluster	Port Elizabeth East London Hamburg Transkei	EC		
● New - Hamburg cluster	Hamburg	EC		
● New - Saldanha Molapong	Saldanha Bay	WC		
● New - Amatikulu	Amatikulu	KZN		
● Expansion - Marine Growers	EC	EC		
● Hatchery expansion - Doringbaai	Doringbaai	WC		
● Expansion - Overberg JSP	Jacobsbaai	WC		
● Expansion - Saldanha Blue Ocean Mussels	Saldanha Bay	WC		
● New - Richards Bay Sea Cage Farming	Richard's Bay	KZN		
● New hatchery - Hondeklip Bay- Abalone (DST Abalone Hatchery)	Stellenbosch University	NC		
● New - Diamond Coast Abalone Ranching	Hondeklip Bay	NC		
● Expansion - Saldanha Bay Oyster Company	Saldanha Bay	WC		

★ Phase 1 ● Phase 2 ● Phase 3 | SMME's (12+)

16 New additional Projects				
● West Coast Oyster Growers	Saldanha Bay	WC		
● Blue Sapphire Pearl	Saldanha Bay	WC		
● Imbaza Mussels	Saldanha Bay	WC		
● African Olive Trading 232 (Pty) Ltd	Saldanha Bay	WC		
● Really Useful Investments	Kleinsee	NC		
● Aquafood SA	Saldanha Bay	WC		
● Salmar Trading (Pty)Ltd	Saldanha Bay	WC		
● Karoo Catch	Graaf-Reinet	EC		
● West Coast Aqua	Saldanha Bay	WC		
● Oyster Catcher Saldanha	Saldanha Bay	WC		
● Chapmans Aquaculture Company	Saldanha Bay	WC		
● Requa Enterprises (Pty) Ltd	Saldanha Bay	WC		
● Southern Atlantic Sea Farm	Saldanha Bay	WC		
● Hermanus Salmon (Pty)Ltd	Hermanus	WC		
● Vaal Fisheries	Van derbyl park	GP		
● Xesibe Aquaculture	Saldanha Bay	WC		

5 projects on business opportunity

Ventersdorp catfish, Adz Ventersdorp, Algoa Bay Yellowtail,
Oceanwise ELIDZ and Southern Atlantic



Progress: Initiative 2 - Legislative Reform

- B.** Currently, the legislative framework governing aquaculture activities is fragmented and regulated by various departments as aquaculture occurs across sea, land and fresh water. Initiative 2 looks at 'Legislative Reform' which aims to amend legislation to streamline the assortment of existing regulations and creates an enabling environment to promote aquaculture sector growth.

Several steps have been taken towards the legislative reform to promote Aquaculture development.

Aquaculture Development Bill

The Socio Economic Impact Assessment Systems (SEIAS) on the Bill was conducted and the second draft of the Bill was submitted with the Office of the Chief State Law Advisor for legal review. During this period, the Aquaculture Development Bill was presented to the National Economic Development and Labour Council (NEDLAC).

Strategic Environmental Assessment (SEA)

The Department of Agriculture, Forestry and Fisheries (DAFF) and the Department of Environmental Affairs (DEA) have entered into partnership to undertake the strategic environmental assessment. The CSIR (Council for Scientific and Industrial Research) has been appointed to undertake the assessment.

The purposes of the SEA are to identify suitable areas where environmentally sustainable aquaculture development can be prioritised and incentivised. Secondly, it will provide a streamlined and integrated management and regulatory framework to reduce compliance complexities and improve decision-making processes.

Progress: Initiative 3 - Inter-Departmental Authorisations Committee

- C.** Currently authorisations can take up to three (3) years to be issued because of sequential administrative processes as the sector is regulated by various departments with several types of authorisations required. Initiative 3 covers the establishment of an 'Inter-Departmental Authorisations Committee' (IAC) which will streamline and coordinate applications and approvals in the aquaculture sector.

The IAC is made up of the following key member departments: Agriculture Forestry and Fisheries, Public Works, Environmental Affairs, Rural Development and Land Reform, Water and Sanitation, Public Enterprises (Transnet) and Mineral Resources.

Since its establishment in September 2015, the IAC has achieved the following:

- The business processes pertaining to aquaculture authorisations from various national departments have been mapped and the inter-dependencies have been identified. The next step is to streamline the processes in order to shorten turn-around times.
- Access to land: Seven (7) of eight (8) approved leases have been signed off. Four (4) new lease applications are being processed.
- Access to sea space: One hundred and forty (140) hectares has been made available to ten (10) projects in Saldanha Bay of which eight (8) are long-term leases (15-years) and two (2) are short-term leases (5 years). Six (6) long-term and two (2) short-term leases have been signed by both parties.

- Two Environmental Impact Assessments (EIA) were completed.
- Two coastal discharge permits were issued.
- One biodiversity risk assessment was authorised.
- Three marine aquaculture rights have been granted.
- Saldanha Bay Aquaculture Development Zone EIA has commenced.

Progress: Initiative 4 - Globally Recognised Monitoring and Certification System

- D.** Importing nations require health assurances that the products they receive are safe for consumption, however, in South Africa there are currently only a few trained technicians and specialists and too little funding allocated to aquaculture and testing facilities are few and far in between. To address this, Initiative 4 is an enabler to establish a 'Globally Recognised Monitoring and Certification System' to boost exports of South African aquaculture products.

During this reporting period, the first Aquatic Animal Health and Welfare Implementation Plan in South Africa was developed. In order to ensure local and international food safety requirements for live and chilled raw mussels & oysters; the standard was published in accordance with the SANS Institute code 2879.

In order for the abalone subsector to access the European market, the EU (European Union) conducted a fact finding mission. The findings are being attended to by DAFF together with the relevant departments. The implementation of the shellfish and finfish monitoring programmes were boosted by the acquisition of inverted microscopes and undertaking of baseline surveys.

Progress: Initiative 5 - Aquaculture Development Fund

- E.** Initiative 5, looks at the 'Aquaculture Development Fund,' which aims to establish an integrated pool of existing funds in order to finance all phases of aquaculture projects (including pre-production) and encourage new entrants to participate in the aquaculture sector.

A working group of various Development Funding Institutions (DFI's) and departments was established and the Aquaculture Development Fund model and mechanism were assessed. Feasibility studies were conducted on marine finfish, oysters and mussels. Other individual aquaculture species feasibility studies are still to be undertaken.

Forty (40) funding institutes have been identified and 26 institutes have indicated support towards aquaculture development.

Investment promotions missions were undertaken to the Asia-Pacific Aquaculture Conference and Seminar in Xiamen, China and the International Seafood & Technology Expo in Tokyo, Japan. Awareness was raised on the South African aquaculture market offering.

Progress: Initiative 6 - Capacity Building and Skills Development for Support Services

- F.** There is currently a lack of certified vocational training for basic aquaculture farming skills. In addition, aquaculture as an emerging sector has almost no dedicated and specialised extension officers; state vets specialised in aquaculture and research officers at a provincial level and at the national level within DAFF. Initiative 6 covers 'Capacity Building and Skills Development for Support Services.'

The Aquaculture Skills Working Group is operational. SAIMI (South African International Maritime Institute), in collaboration with DAFF and Department of Higher Education and Training (DHET), will do a skills audit and needs analysis of the sector. DAFF and Stirling University are in the process of entering into an agreement for the training of aquatic vets and aquaculture specialists.

The following statistics indicates the training conducted at Gariep Dam Aquaculture Demonstration Centre:

- 281 farmers/students
- 534 visits/tours
- 9 interns

Three aquatic animal health training workshops were held in association with the FAO (Food and Agriculture Organisation of the United Nations). Participants were member states of the SADC region and the workshops covered:

- Socio-economic impact assessment of aquatic diseases.
- Development of a national strategy of aquatic animal health.
- Risk analysis for aquatic animal movement.

Progress: Initiative 7 - Coordinated Industry-Wide Marketing Efforts

- G.** Initiative 7 seeks to launch 'Coordinated Industry-Wide Marketing Efforts' to increase local consumption of aquaculture products and encourage the growth of small-scale farmers and new entrants. The coordination of industry wide marketing efforts is under way in order to reduce duplicative efforts and resources.

- Interest was received from Iran to supply 500 tons per month of tilapia. Taiwan has also expressed interest to source oysters from SA.
- The Market Information System (MIS) template was developed to improve access to market information.
- Various industry bodies were engaged regarding the establishment of AquaSA (statutory body under the Marketing of Agricultural Products Act) and will undertake:
 - Market access & research
 - Market & product development
 - Consumer and public awareness

Progress: Initiative 8 - Preferential Procurement of Aquaculture Product

- H.** Fish protein provides the best value for money; however, per capita fish product consumption in South Africa is comparatively low. Preferential procurement can create local markets while contributing towards transformation and food security in South Africa. Initiative 8 is 'Preferential Procurement' which seeks to partner with government institutions to procure aquaculture products, thereby increasing local consumption and improving nutritional levels in South Africa.

Background research has been conducted. The DAFF and the Department of Trade and Industry are in discussion on procurement of fish products by schools, hospitals and correctional services. The Free State Economic Development Agency seeks to source fish through aquaculture for school feeding schemes in the Free State province. Desktop research on preferential procurement was conducted in respect of aquaculture projects and products.

2.1 PROJECT PROGRESS HIGHLIGHTS

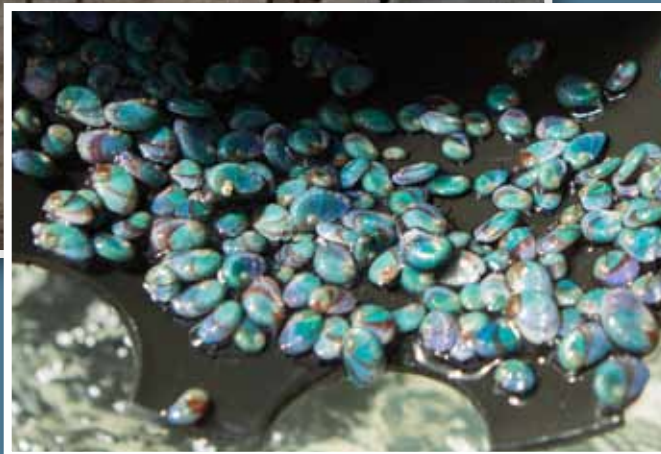
Thirteen projects discussed in detail on the following pages are operational and on track in terms of implementation plans.

Land based operations and feed plant at Abagold Abalone farm.



ABAGOLD HERMANUS (ABALONE)

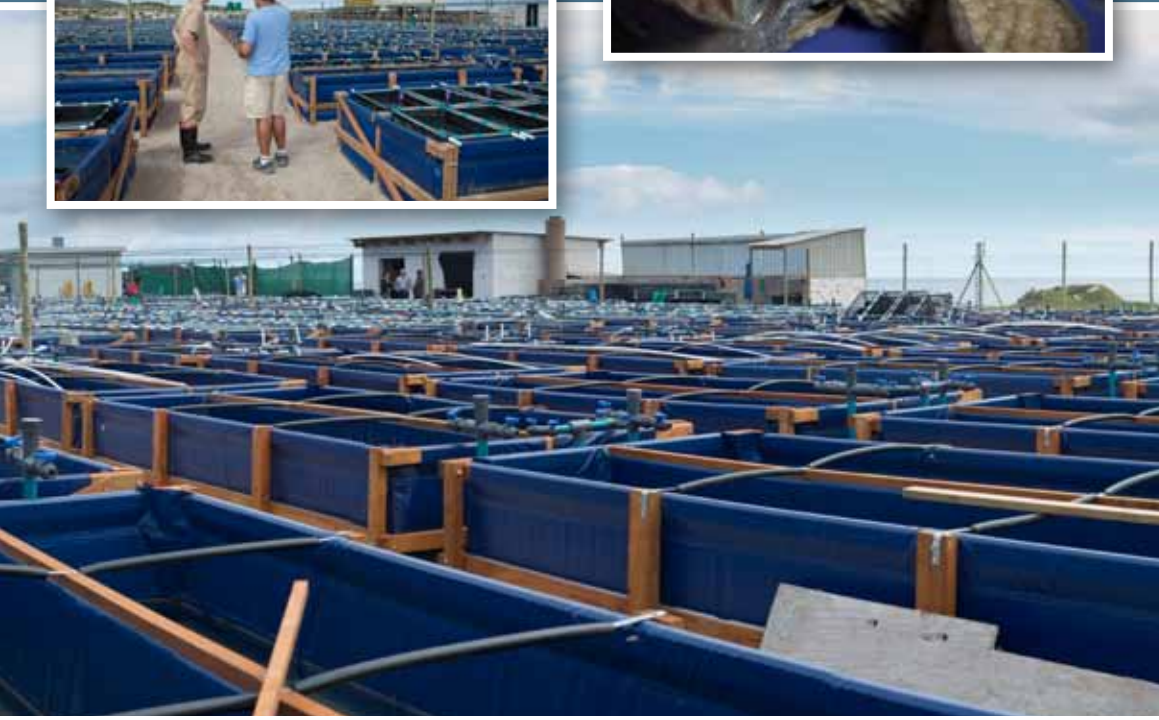
Abagold (Pty) Ltd is situated in Hermanus in the Western Cape and produces abalone at the most Southern tip of Africa. The company exports live, canned and dried abalone to Asian countries. The project is a leader within its sub-sector, serves as an ideal business model for growing the aquaculture sector and is progressing well without much assistance from Operation Phakisa. The production of local fish feed was identified as one of the key challenges facing the sector by Operation Phakisa. Abagold has not only expanded significantly but constructed and launched a new feed plant in September 2015. The project was awarded the Friend of the Sea certification and is the first abalone company worldwide to be awarded the certification. Certified products sold locally and internationally will bear the branded eco-label.





HIK Abalone current & expansion of operations in Buffelsjag.





HIK ABALONE BUFFELSJAG (ABALONE)

The HIK abalone farm has invested into upgrading their hatchery and built a new packing and processing facility. The project has also begun constructing the first phase of the new 100 ton abalone farm in the rural Buffeljags area. After establishing that no clinic exists in the community nearby the farm, HIK are investigating the building a clinic on site to serve employees and the local community. The Department of Agriculture, Forestry and Fisheries is providing guidance and assistance with the Environmental Impact Assessment (EIA) for the second stage of development.

Blue Oceans Mussels harvesting and processing operations.



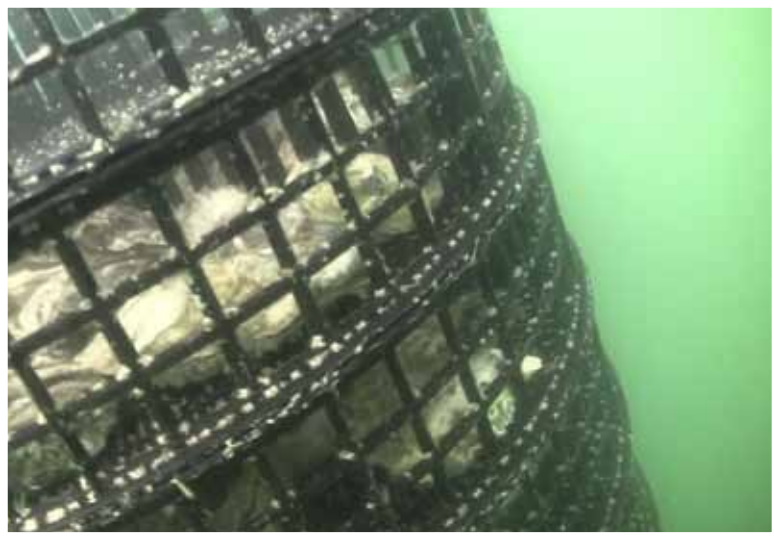
BLUE OCEAN MUSSELS SALDANHA BAY AND VELDDRIFT (MUSSELS)

Blue Ocean Mussels (Pty) Ltd is a premium mussel farming operation, located in Saldanha Bay. The unpolluted and pristine seawater is perfect for mussel farming because the windy west coast conditions create upwelling currents which support the fresh, clean, cold and nutrient rich water which is perfect for growing good quality mussels. This farm has received a long-term water lease from Transnet National Ports Authority (TNPA) and was approved for funding by the Aquaculture Development & Enhancement Programme (ADEP) administered through the Department of Trade and Industry (the dti). The funding was used for a boat and expansion of their operations.





Underwater oyster
racks and harvesting
at Saldanha Bay
Oyster Company.

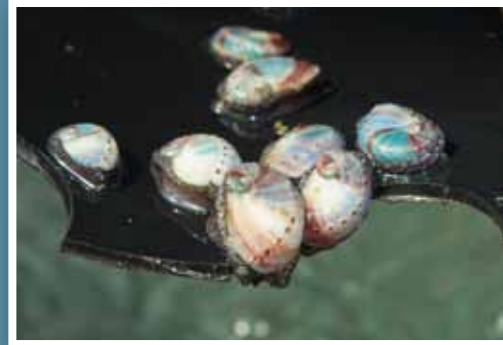
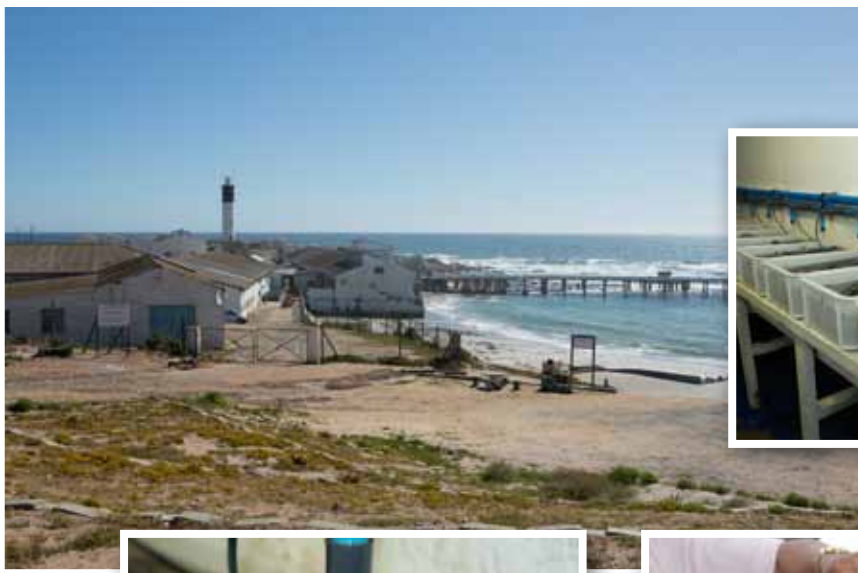


SALDANHA BAY OYSTERS (OYSTERS)

Saldanha Bay Oyster Company (Pty) Ltd is a land based site situated in Saldanha Bay in the Western Cape. The company is a leader in the South African oyster market and delivers a delicately sweet flavoured oyster which makes it one of the top choices for both South Africa and international palates. The oysters weigh between 65g and 120g. Since joining Operation Phakisa, the project was supported with a long-term land lease from the Department of Public Works for its holding and purging operations. This lease allows the annual production to increase to 10 million oysters per year. Through TNPA, the project received a long-term water space lease which will go a long way to sustain current employment, secure investment and continue the expansion of primary production.



Farming operations and
sorting of abalone at
Doringbaai.



DORINGBAAI ABALONE FARM (ABALONE)

Doringbaai Abalone (Pty) Ltd farm is an abalone grow-out facility and hatchery in Doringbaai on the West Coast of South Africa. This project involved the development and establishment of infrastructure for Western Cape fishing communities and sustainable aquaculture projects within these areas. The community owns a 35% share in the company to ensure sustainability and upliftment. In 2015, the farm was expanded due to the high demand of abalone in the market. The objective was to increase the carrying capacity of the farm from 30 tons to 50 tons of abalone. Since Operation Phakisa, Doringbaai Abalone successfully secured a long-term lease with the Department of Public Works and the EIA for the first phase of expansion was approved in record time.

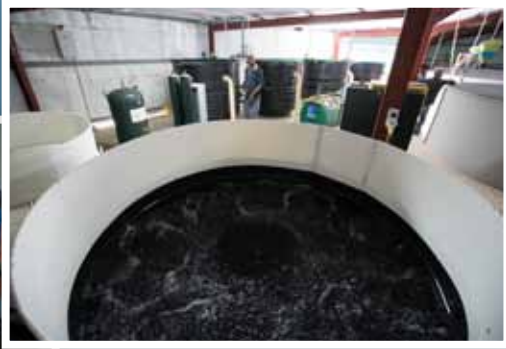


Fish tanks, equipment and employees sorting feed at Hamburg Kob Farm.



HAMBURG AQUA- CULTURE PROJECT (DUSKY KOB AND OYSTERS)

The Hamburg kob pilot project is driven by the Department of Agriculture, Forestry and Fisheries and is owned by the Siyazama Cooperative who employs 21 people from the Hamburg community in the Eastern Cape. The department has identified a number of aquaculture projects that aim to empower coastal communities through the transfer of technology, skills development and job creation. The department decided to take lead with industry on kob farming in order to share the risks associated with developing this fairly new type of farming in South Africa. A dusky kob pilot project has been established on the 2 hectare site and will have the capacity to produce 20 tons of kob per annum in the pilot phase. The Hamburg Aquaculture project has received continued funding support and has been prioritised by Operation Phakisa and the Expanded Public Works Programme (EPWP).





Abalone & rock lobster farming operations underway at Wild Coast Abalone.

WILD COAST ABALONE FARM AND RANCHING

This project uses the abalone ranching model which restores impacted natural abalone stock levels by augmenting with hatchery reared spat. The abalone stock is protected from poaching using high-tech private security solutions. The vision is for the business units to eventually make a profit from sustainably fishing the restored abalone resources working alongside coastal communities. The project incorporates three ranching projects in Port Elizabeth and East London as well as two stock enhancement projects in conjunction with coastal communities in Hamburg and the Transkei. Through Operation Phakisa, the project has received a lease from TNPA for security and ranching operations.



Long-lines mussel
farming and harvesting
underway at Southern
Atlantic Sea Farms.



SOUTHERN ATLANTIC SEA FARMS (MUSSELS)

The Southern Atlantic Sea Farms located in Saldanha Bay, aims to utilise the existing 15 hectares of water lease area to produce 1000 tons of mussels per annum. This will be increased to 2000 tons in the second phase of the project alongside the increase of the water area to 30 hectares. The company is using technology and equipment which is new to the South African mussel industry but well proven and tested over a number of years in New Zealand and used all over the world. The farm area is away from industrial pollution and can offer a pollution free product. Operation Phakisa has assisted the farm through securing a long-term lease and an additional 15 hectares of space. The Department of Agriculture, Forestry and Fisheries is providing support to existing and potential aquaculture operations in the Saldanha Bay area by initiating an EIA for the entire Aquaculture Development Zone.



Inspection and feeding
of trout at Molapong
Sea Cage Farm.



MOLAPONG TROUT SEA CAGE (TROUT AND SALMON)

This is one of only two marine finfish cage pilot farms in South Africa. Through Operation Phakisa, the project was assisted with a water space lease from TNPA and a Marine Right through the Department of Agriculture, Forestry and Fisheries. This project aims to produce 500 tons of ocean trout during phase one and up to 2000 tons of trout and salmon at phase three (2019) over a total area of 45 hectares. Molapong Aquaculture is currently the biggest producer of fresh trout in South Africa and the ocean trout and salmon products are aimed at extending their product offerings to their existing local customers, as well as having stock available to fill export orders.



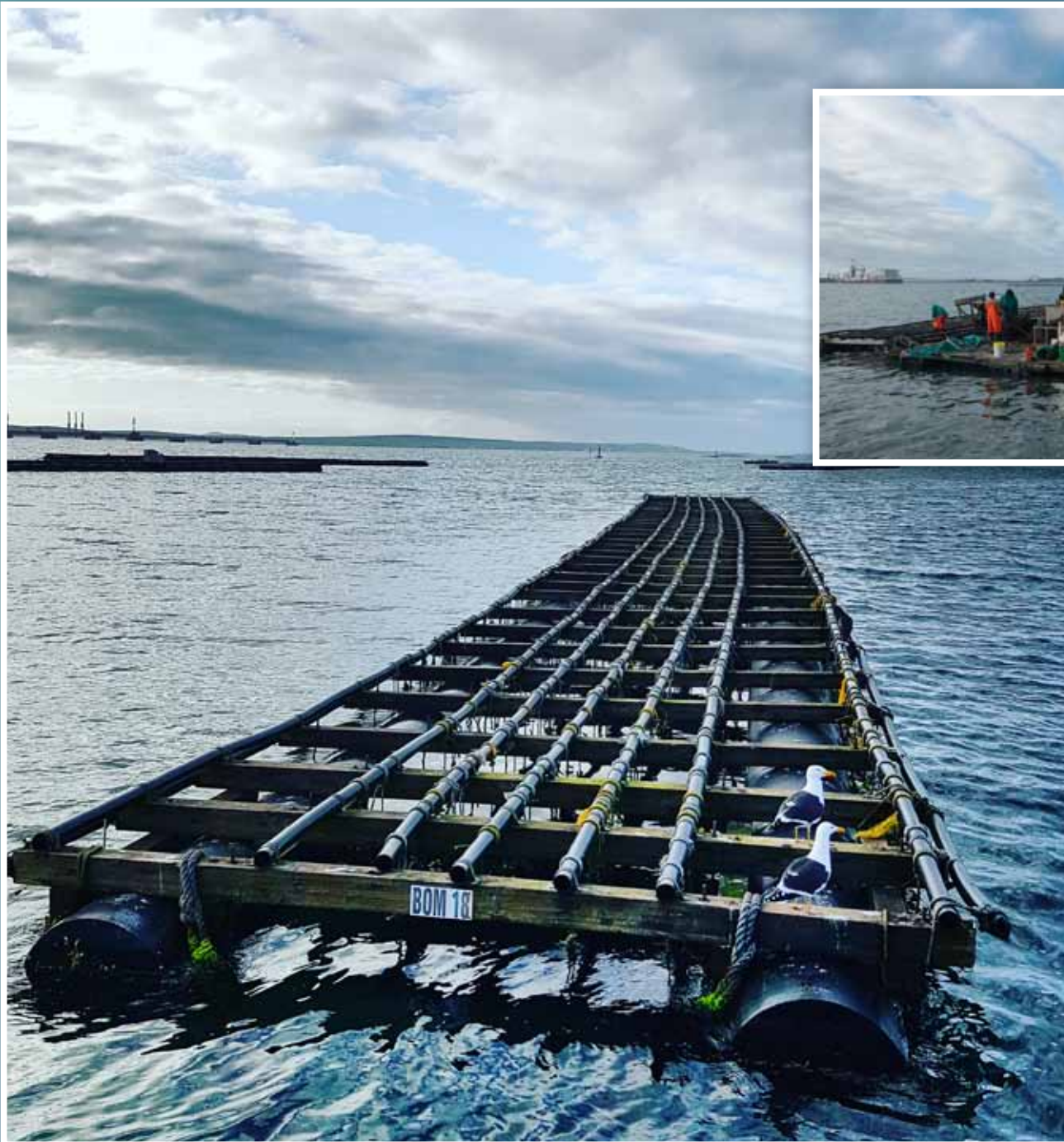
Harvesting of mussels in the
inner bay, Saldanha.



AFRICAN OLIVE TRADING (MUSSELS)

The mussel farm is situated in the inner bay of Saldanha, in the Western Cape and is 100% black owned company. The vision of the African Olive Trading farm is to expand the farm from 5 hectares of water space to 25 hectares. In terms of tonnage, the farm will expand from its current 50 tons to a maximum of 1 000 - 1 200 tons per annum. Currently all produce is sold to Blue Ocean Mussels in Velddrif. The farm has six farm workers and through Operation Phakisa received a land lease and water space lease from the Department of Public Works and TNPA respectively.





Mussel raft structure
used by Imbaza.



IMBAZA MUSSELS (MUSSELS)

Imbaza Mussels is based in Saldanha Bay. This majority BBBEE owned Operation Phakisa project received a 15 year water space lease from TNPA for their existing 30ha and a long term land lease for their land based operations from the Department of Public Works. Currently the project employs 17 workers and they were approved for funding from ADEP through the dti. The vision is to build a packing facility for fresh mussels as well as to build 5 mussel rafts that will increase the production to 1200 tons per annum.



Mussel and oyster processing at work
at West Coast Oyster Growers.



WEST COAST OYSTER GROWERS (OYSTERS & MUSSELS)

West Coast Oyster Growers is an existing small mussel and oyster producer situated in Saldanha Bay which intends to expand its mussel and oyster operations to become a significant role player in the shellfish industry in South Africa. The project secured a 15 year long-term water space lease from TNPA through Operation Phakisa. The mussels are sold locally as fresh or frozen half shell whereas the oysters are sold as fresh both on the local and international markets.



Sorting of Oysters from harvesting
at Blue Sapphire Pearls.



BLUE SAPPHIRE PEARLS (OYSTERS)

The Blue Sapphire Pearls project is located in Saldanha Bay. Since Operation Phakisa, the Small Medium Micro Enterprise was awarded additional water space from TNPA as well as a land lease from the Department of Public Works which will facilitate the expansion and diversification of the project. The vision is to expand the current 5 hectare water space of oyster cultivation for optimum growth; to commercialise the current pearl culture operation; to integrate a farm tour operation and initiate a mussel cultivation operation. The oysters produced are of high quality and the business is poised to expand to take advantage of new opportunities and international markets.



2.2 Investment Promotion Missions

A. DAFF and DTI promote SA Aquaculture Investment in Xiamen, China

The Department of Agriculture, Forestry and Fisheries (DAFF) together with the Department of Trade and Industry (DTI) hosted a South African Investment Seminar on Aquaculture during the Asia-Pacific Aquaculture (APA) Expo from 26-28 May 2016 in Xiamen, China.

The seminar was a first for the two departments to work together in this area and was titled "International Fishery Cooperation & South Africa Aquaculture Investment Projects" and was made possible with the support of China Aquatic Products Processing and Marketing Alliance (CAPPMA). Attending the seminar were various companies and major industry role players such as the Baiyang Investment Group.

During the seminar, Ms Lisa Geswindt, Deputy Director in the Aquaculture unit presented on the "Overview of the Aquaculture Sector in South Africa and investment opportunities". Mr Brian Soldaat from the Department of Trade and Industry (DTI) presented on "Aquaculture Investment Opportunities in South Africa, including incentives for investors". Other participants of the seminar included, Ms Nolusindo Jonas – Assistant Director: Invest SA, Department of Trade and Industry, Ms Lisa Fu – Counsellor, South African Consulate in Shanghai, China and Mr Thulani Mphenshini - Counsellor, South Africa Consulate in Shanghai, China.



Following the expo and seminar, Ms Lisa Geswindt, Ms Nolusindiso Jonas and Ms Ping (CAPPMA) departed to Haikou for site visits to the Hainan Xiangtai Fishery Company who are the market leaders in tilapia and shrimp in China, exporting to 26 countries worldwide. The company covers the entire aquaculture value chain from hatchery, ecological breeding; feed, processing and sales.

CAPPMA will continue to facilitate business to business meetings and is officially invited to the World Aquaculture Conference 2017 in South Africa where they have committed to send a representative.

B. DAFF hosts excursion to Saldanha Bay aquaculture farms during Norway Science Week

On a windy 3 November 2016, the Department of Agriculture, Forestry & Fisheries (DAFF) hosted Innovation Norway, The Research Council and SIU and local industry on a visit to Saldanha Bay. The group was part of a delegation from Norway visiting South Africa to attend the first South Africa Norway Science Week.

The visit focused on aquaculture activities in the bay area. DAFF is the lead department for the aquaculture sector which is seen to have high growth potential due to an increasing demand for seafood products. The goal is to grow the aquaculture sector from 5000 tons to 20 000 tons per annum.

The group was taken by boat and visited a trout cage farm managed by Molapong Aquaculture, currently

the largest producer of fresh trout in South Africa. They learnt about some of the challenges using cage farming techniques. Thus far two cages have been installed and the farmers are demand feeding the fish.

Delegates were taken to see the mussel and oyster farms and were pleasantly surprised to see that quite a large area is being allocated towards the farming of mussels and oysters.

These project owners included Blue Ocean Mussels, Saldanha Bay Oyster Company, African Olive Trading, Imbaza Mussels, Viking Aquaculture and Blue Sapphire Pearls.

The group stopped by the processing factory owned by Viking Aquaculture and sampled the oysters and mussels (West Coast Oyster Growers).

"It was inspiring to see how this industry is creating jobs in the community and providing top quality seafood for the domestic and international markets.

We were left with the feeling that the possibility to develop this sector is very promising especially if government can create a more enabling regulatory framework," noted Beverley Lewis, Market Advisor at Innovation Norway.

Innovation Norway assists Norwegian companies with their market access requirements and if you are a company interested in entering the South African market please get in touch with their office in South Africa on SouthAfrica@innovationnorway.no.



C. International Seafood & Technology Expo in Tokyo, Japan

A South African delegation comprised of the Department of Agriculture, Forestry and Fisheries, the Department of Trade and Industry and Wesgro participated at the Japan International Seafood & Technology Expo & hosted the South Africa Investment Seminar on aquaculture. The mission included technical site visits, in Tokyo and the Mie Prefecture, Japan from 16-19 August 2016.

South African ambassador Beryl Sisulu represented the country as part of the official opening of the Japan International Seafood and Technology Expo. The Japanese Ministry of Agriculture, Forestry and Fisheries gave an opening address and welcomed the various countries and participants present. Mr Usen Khan, a South African sushi chef from the One and Only hotel participated in the World Sushi Championships which also formed part of the expo activities.

The investment seminar saw the DTI focusing on the South African economy, investment climate and incentives. The presentation highlighted Japanese companies already operating in South Africa as well as the status of imports and exports between SA and Japan. DAFF gave an overview of the aquaculture sector, species farmed, and how the sector has been prioritised for growth as well as the aquaculture development zones and Operation Phakisa projects available for investment.

The South African expo stand received numerous queries from attendees and opportunities exist specifically for the export of tuna, abalone and lobster for the Japanese market.



CONCLUSION

The progress made thus far through the Aquaculture Operation Phakisa is encouraging to the aquaculture industry, government and all related stakeholders. As challenges continue to rise, it is met with a commitment to collaborate and continue the momentum to further unlock growth of the sector. The aspirations set out for the Aquaculture Operation Phakisa are continually emphasised which is to contribute to food security and job creation; an increased contribution to the growth domestic product and improve the livelihoods of rural communities.

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